

10/26/02

060002680

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER  
VGOB 01-0918-0922

ELECTIONS: UNIT R-36  
(herein "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on December 18, 2001 which was recorded at Deed Book 537, Page 639 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on January 11, 2002, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CNX GAS COMPANY LLC (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates whether or not the escrow of funds is required with regard to Unit R-36;

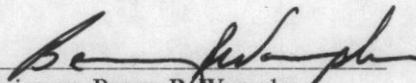
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, Corporate Trust PA1328, 123 Broad Street, Philadelphia, PA 19109-1199, Attn: Rachel Rafferty or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefore.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

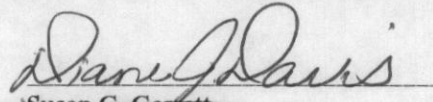
Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 8<sup>th</sup> day of August, 2006, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

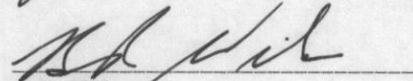
STATE OF VIRGINIA  
COUNTY OF ~~WISE~~  
Washington

Acknowledged on this 8<sup>th</sup> day of August, 2006, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
~~Susan G. Garrett~~  
Notary

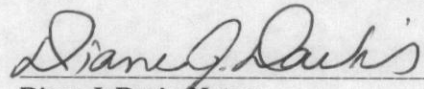
My commission expires: 9/30/09.

DONE AND PERFORMED THIS 8<sup>th</sup> day of August, 2006, by Order of the Board.

  
B. R. Wilson,  
Principal Executive to the Board

STATE OF VIRGINIA  
COUNTY OF WASHINGTON

Acknowledged on this 8<sup>th</sup> day of August, 2006, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Director of the Division of Gas & Oil Board and Principal Executive to the Board, that he executed the same and was authorized to do so.

  
Diane J. Davis, Notary

My commission expires: 9/30/09.



**VIRGINIA:**

**Exhibit A**

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**IN RE:**

Application of CNX Gas Company LLC for Forced Pooling of Interests in CBM Unit R-36  
VGOB 01-0918-0922 in the Garden District of Buchanan County, Virginia

**AFFIDAVIT OF CNX GAS COMPANY LLC (herein "Designated Operator") REGARDING ELECTIONS,  
ESCROW AND SUPPLEMENTAL ORDER**

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CNX Gas Company LLC, as a Manager - Environmental Permitting and is duly authorized to make this affidavit on behalf of CNX GAS COMPANY LLC, the designated operator,

That the Order entered on December 18, 2001, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the counties identified above; that said Order was recorded on January 11, 2002;

That the designated operator CNX GAS COMPANY LLC has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None

That all of the Respondents identified in Exhibit B-3 hereto have entered into voluntary agreements whereby they have leased and/or otherwise agreed with Applicant to a plan to develop their interests and claims within the unit to CBM. Hence, said unit may be voluntarily pooled.

See attached Exhibit B-2 and B-3 (Unit is 100% under Lease ).

That in light of the Agreement(s) described above, it is no longer necessary for the Board to maintain an escrow account/sub accounts pertaining to the above referenced CBM Unit, if applicable.

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS PROVIDED  
BY CNX LAND RESOURCES, Inc. AND WERE NOT SURVEYED

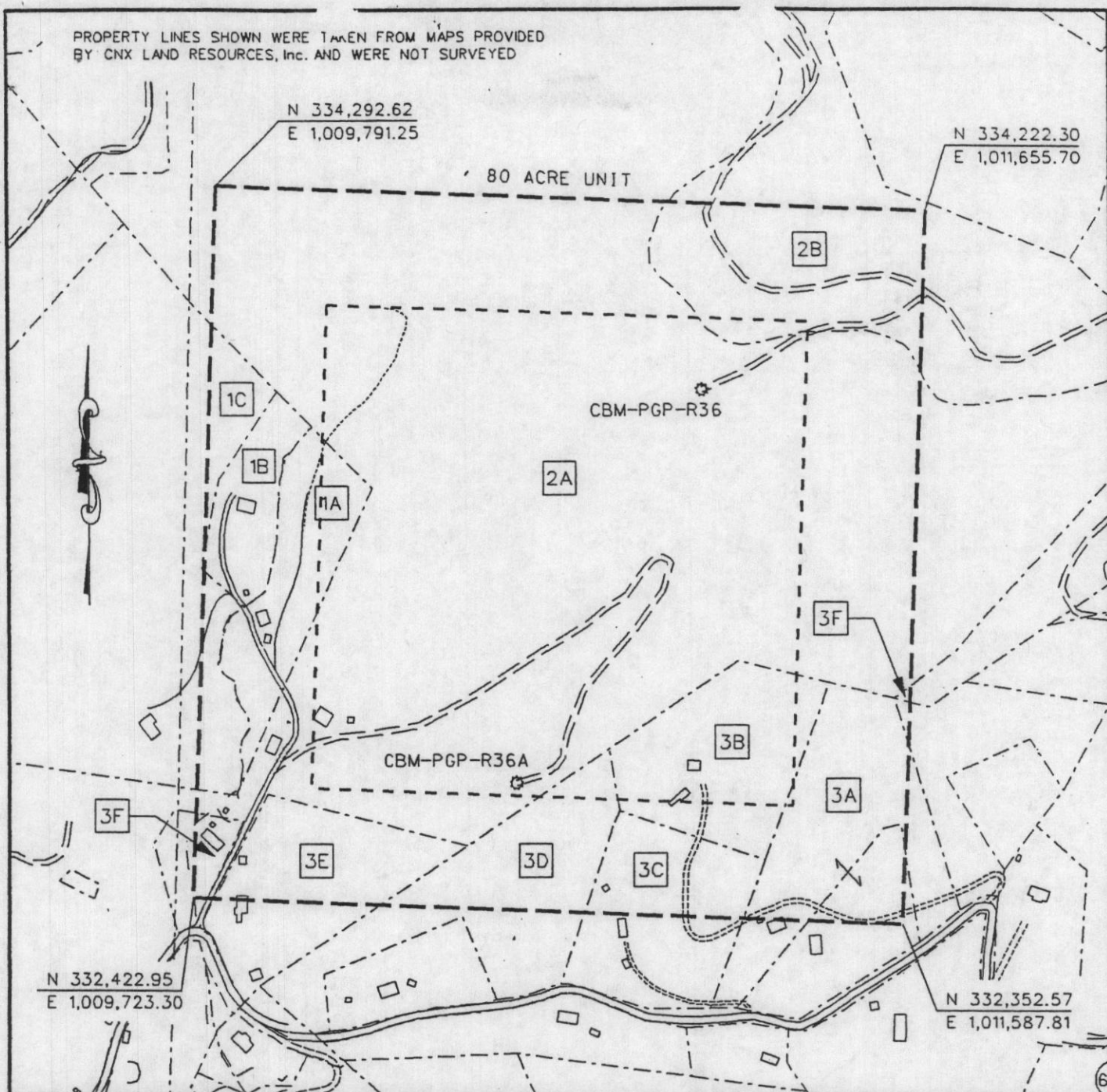


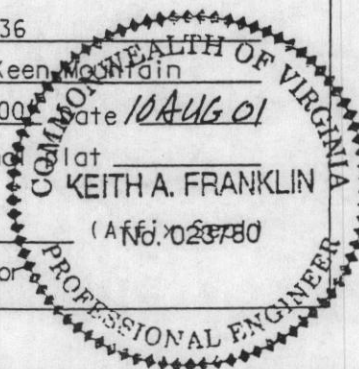
EXHIBIT A  
OAKWOOD FIELD UNIT R-36  
FORCE POOLING  
VGOB-01-0918-0922

Company Pocahontas Gas Partnership Well Name and Number UNIT R36  
Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Keen Mountain  
County Buchanan District Garden Scale: 1" = 400' Date 10 AUG 01  
This plat is a new plat X ; an updated plat \_\_\_\_\_ ; or a find \_\_\_\_\_ plat \_\_\_\_\_

Form DGD-GO-7  
Rev. 9/91

*Keith A. Franklin*

Licensed Professional Engineer or Licensed Land Surveyor





**POCAHONTAS GAS PARTNERSHIP**  
**UNIT R-36**  
**Tract Identifications**

1. Yukon Pocahontas Coal Co. et al Tr 109 - Coal, Oil & Gas  
Coal Lessees  
Island Creek Coal Company  
Jewell Smokeless Coal Corporation  
Pocahontas Gas Partnership - CBM Lessee  
7.08 acres                      8.8500%
  
- 1A. W. J. Hylton Heirs - Surface  
1B. Sreven Hylton - Surface  
1C. John Hylton - Surface
  
2. H.S.T. Group, L.L.C. - Coal, Oil & Gas  
Coal Lessees  
Island Creek Coal Company  
Jewell Smokeless Coal Corporation  
Pocahontas Gas Partnership - CBM Lessee  
59.27 acres                      74.0875%
  
- 2A. Annis Hylton Frye - Surface  
2B. Metcalf & Culbertson - Surface
  
3. J. P. Royall & G.W. Gillespie Estates, et al. - Coal, Oil & Gas  
Consolidation Coal Company - Coal Below Drainage Lessee  
United Coal Company - Coal Above Drainage Lessee  
Permac Inc. - Coal Above Drainage Lessee  
Pocahontas Gas Partnership - Oil & Gas Lessee  
Pocahontas Gas Partnership - CBM Lessee  
13.65 acres                      17.0625%
  
- 3A. Jerry Horn - Surface  
3B. Berlin Viars - Surface  
3C. Jessie Matney - Surface  
3D. John Horn Jr - Surface  
3E. John D. Osborne, et ux - Surface  
3F. Kenneth Byrd - Surface

**Exhibit B-2**  
**Unit R-36**  
**Docket # VGOB 01-0821-0922**  
**List of Respondents to be Dismissed**

		<b>Acres in Unit</b>	<b>Percent of Unit</b>	<b>Reason for Dismissal</b>
<b>I. <u>COAL FEE OWNERSHIP</u></b>				
<b><u>Tract #3, 13.65 acres</u></b>				
(1)	J. P. Royall & G. W. Gillespie Estate, et al. c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651	13.65 acres	17.06250%	
(c)	Edwin G. Royall, Agent 407 Memorial Avenue Bluefield, WV 24701	5.3083 acres 38.88876% of 13.65 acres	6.63539%	Leased
<b>II. <u>OIL &amp; GAS FEE OWNERSHIP</u></b>				
<b><u>Tract #3, 13.65 acres</u></b>				
(1)	J. P. Royall & G. W. Gillespie Estate, et al. c/o John W. Gillespie P. O. Box 675 Tazewell, VA 24651	13.65 acres	17.06250%	
(c)	Edwin G. Royall, Agent 407 Memorial Avenue Bluefield, WV 24701	5.3083 acres 38.88876% of 13.65 acres	6.63539%	Leased

Exhibit B-3  
Unit R-36  
Docket # VGOB 01-0821-0922  
List of Unleased Owners/Claimants

Acres in Unit	Percent of Unit
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*This unit is 100% leased*

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 16<sup>th</sup> day of August, 2006 1:57 P. M. The tax imposed by §587.1-802 of the Code has been paid in the amount of \$          .  
Deed Book No. Amme and Page No.       . TESTE: James M. Bevins, Jr., Clerk  
Returned to: Amme. TESTE: Deputy Clerk